

GLOSSARY OF FREQUENTLY USED FISCAL TERMS

ALLOTMENT: The unit of allocation of State and federal funds to local education agencies. Funding for every public school funding formula is distributed via allotment.

APPROPRIATION: An enactment by the General Assembly authorizing the withdrawal of money from the State treasury. An enactment by the General Assembly that authorizes, specifies, or otherwise provides that funds may be used for a particular purpose is not an appropriation.

AUTHORIZED BUDGET: The funds appropriated by the General Assembly updated to reflect line-item reallocations allowed by the State Budget Act and approved by the Office of State Budget and Management.

AVERAGE DAILY MEMBERSHIP (ADM): Metric used to measure student headcount and is most applicable for the purposes of determining State funding allotments provided to local school districts.

BOILERPLATE: Special provisions, or budgetary language that is typically repeated year after year in the budget bill. For example, non-profit reporting requirements are boilerplate.

CARRY-FORWARDS: Funds appropriated but unspent in the first fiscal year of a biennium which by authorized budget revision are brought forward for expenditure in the second fiscal year of the same biennium.

CERTIFIED BUDGET: The budget as enacted by the General Assembly including adjustments made for (i) distributions to State agencies from statewide reserves appropriated by the General Assembly, (ii) distributions of reserves appropriated to a specific agency by the General Assembly, and (iii) organizational or budget changes directed by the General Assembly but left to the Director to carry out.

CONTINUATION (BASE) BUDGET: The budgeted amounts for operating funds required to carry on already established programs at the level of support approved by the previous General Assembly.

DEPARTMENTAL RECEIPTS: Fees, licenses, federal funds, grants, fines, penalties, tuition, and other similar collections or credits generated by State agencies in the course of performing their governmental functions that are applied to the cost of a program administered by the State agency or transferred to the Civil Penalty and Forfeiture Fund pursuant to G.S. 115C-457.1, and that are not defined as tax proceeds or nontax revenues. Departmental receipts may include moneys transferred into a fiscal year from a prior fiscal year.

ENCUMBRANCE: A financial obligation created by a purchase order, contract, salary commitment, unearned or prepaid collections for services provided by the State, or other legally binding agreement.

EXPANSION BUDGET: The recommendations to fund improvements or expansions in existing programs, to establish new programs, to provide for salary increases, and to provide for increases in enrollments, caseloads and institutional populations.

FULL-TIME EQUIVALENT (FTE) (Employee Measure): A unit that represents one full-time (2,080 hours per year) state employee. Part-time employees are factored according to the share of the full 2,080-hour work year they are employed. Total FTE provides an unduplicated head-count of the positions an agency has.

FULL-TIME EQUIVALENT (FTE) (Student Measure): In the Community College System, FTE is used as a standard way of measuring students. One FTE represents 16 student membership hours per week for 16 weeks or 256 student membership hours for each semester enrolled.

FUND: A fiscal and accounting entity with a self-balancing set of accounts recording cash and other resources, together with all related liabilities and residual equities or balances, and changes therein, for the purpose of carrying on stated programs, activities, and objectives of State government.

GENERAL FUND: The main source of operating funds for the state. A pool of financial resources made up of a beginning credit balance, State tax revenues, and State non-tax revenues. These funds are appropriated for both the operation of State agencies and construction and renovation of State facilities.

LAPSED SALARY: Surplus funds that accrue because a position is vacant due to delays in hiring, resignations, terminations, or retirements. Lapsed salary surpluses are *one-time* funds that accumulate only while a position vacancy exists.

LOCAL EDUCATION AGENCY (LEA): One of several different terms used to denote a local school system, along with local school administrative unit and school district. North Carolina has 115 LEAs.

NON-RECURRING: Term used to denote one-time revenues (windfalls, reversions) or one-time expenditures (grant-in-aid, capital).

RECURRING: Term used to denote revenues or expenditures that will be continuing, such as sales and personal income taxes, or salaries, fringe benefits, utilities.

REVERSIONS: Unspent appropriations returned to the General Fund or Highway Fund (as applicable) at the end of each fiscal year.

SALARY RESERVE: Unobligated or surplus funds generated by a position being filled at a salary less than the budgeted salary authorized by the General Assembly.

SPECIAL PROVISIONS: Language contained in the Appropriation Bill pertaining to State fiscal matters, the management, evaluation, and oversight of State government programs or policy, and the expenditure of appropriations contained in the Bill.

SPECIAL FUNDS: Accounts to which revenues are deposited that are designated for a specific purpose and remain in the account until expended for that purpose. Special Funds do not have General Funds directly appropriated to them. By definition, money in a special fund does not revert at the end of the fiscal year.

TRUST FUNDS: Accounts consisting of resources received and held by the State as trusted to be expended or invested in accordance with the conditions of the trust. In other words, Trust Funds are accounts where the State acts as a trustee. The State can only execute the terms of the trust, it cannot change the purpose for which the trust was created.

UNRESERVED FUND BALANCE: The available General Fund cash balance after excluding documented encumbrances, unearned revenue, federal grants, statutory requirements, and other legal obligations to General Fund cash as determined by the State Controller. Beginning unreserved fund balance equals ending unreserved fund balance from the prior fiscal year.